



April 2012

## **2012 Supplemental Operating and Capital Budgets**

On April 11, 2012, the state Legislature adopted revised spending levels for the state's 2011-13 biennium operating and capital budgets. These supplemental changes follow from the "Early Action" 2011-13 Supplemental Budget adopted in December 2011.

When contrasted against total projected resources, the revised 2011-13 spending levels leave a reserve of \$319 million in the state's Near General Fund (NGF) and Opportunity Pathways Account (OPA).

### **Operating Budget Summary (NGF + OPA)**

The supplemental budget revises total state operating budget appropriations (NGF + OPA) to \$31.2 billion. This is a reduction of about \$1 billion, or minus three percent, from the amount initially appropriated for the 2011-13 biennium (\$32.2 billion).

Table I summarizes the adopted supplemental budget for higher education institutions and agencies and compares these new appropriation levels to those contained in the 2011-13 biennial budget. Additionally, Table I shows the changes in spending authority for Human Services and K-12.

As shown in Table I, state funding (NGF + OPA) for the public institutions is about one percent less than the amount authorized in the initial 2011-13 biennial budget. Overall, higher education funding is about one-half of one percent less.

This percentage change in the spending level for higher education compares to a six percent decrease in Human Services and a one percent reduction in K-12.

Illustration 1 shows how appropriation levels for Higher Education, Human Services, and K-12 have changed as a percentage of the (pre-recession) state budget of 2007-09. As is shown, state funding for Higher Education is now about 26 percent less than in 2007-09. Human Services funding is about 10 percent less, while state funding for K-12 is around one percent greater than in 2007-09.

Significant increases in student tuition have occurred to mitigate the reduction in state funding for higher education. As shown in Table I, tuition revenue is now about 64 percent of the total of state funding and tuition for the public baccalaureate institutions, and 36 percent for the community and technical colleges. In this regard, it is also important to note that the 2012 supplemental budget demonstrates the Legislature's continuing commitment to fund state financial aid programs.

### Capital Budget Summary

The 2012 supplemental capital budget provides \$1.1 billion in new capital project funding. These projects are financed from both state bonds and local funds.

Table II provides a listing of the capital project funding authorizations (state bonds and locally funded) for the higher education institutions provided in the supplemental capital budget. As is shown, of the total new statewide authorizations of \$1.1 billion, higher education is authorized \$320 million. This higher education authorization includes the following projects which have a direct relationship to the Higher Education Coordinating Board's long-standing capital funding priorities:

UW Bothell Phase 3	\$62,850
WSU Spokane – Riverpoint: Biomedical and Health Sciences	\$37,075
Lower Columbia College: Health and Science Building	\$38,615
Skagit Valley College: Academic and Student Services Building	\$30,574
Tacoma Community College: Health Careers Center	\$39,107

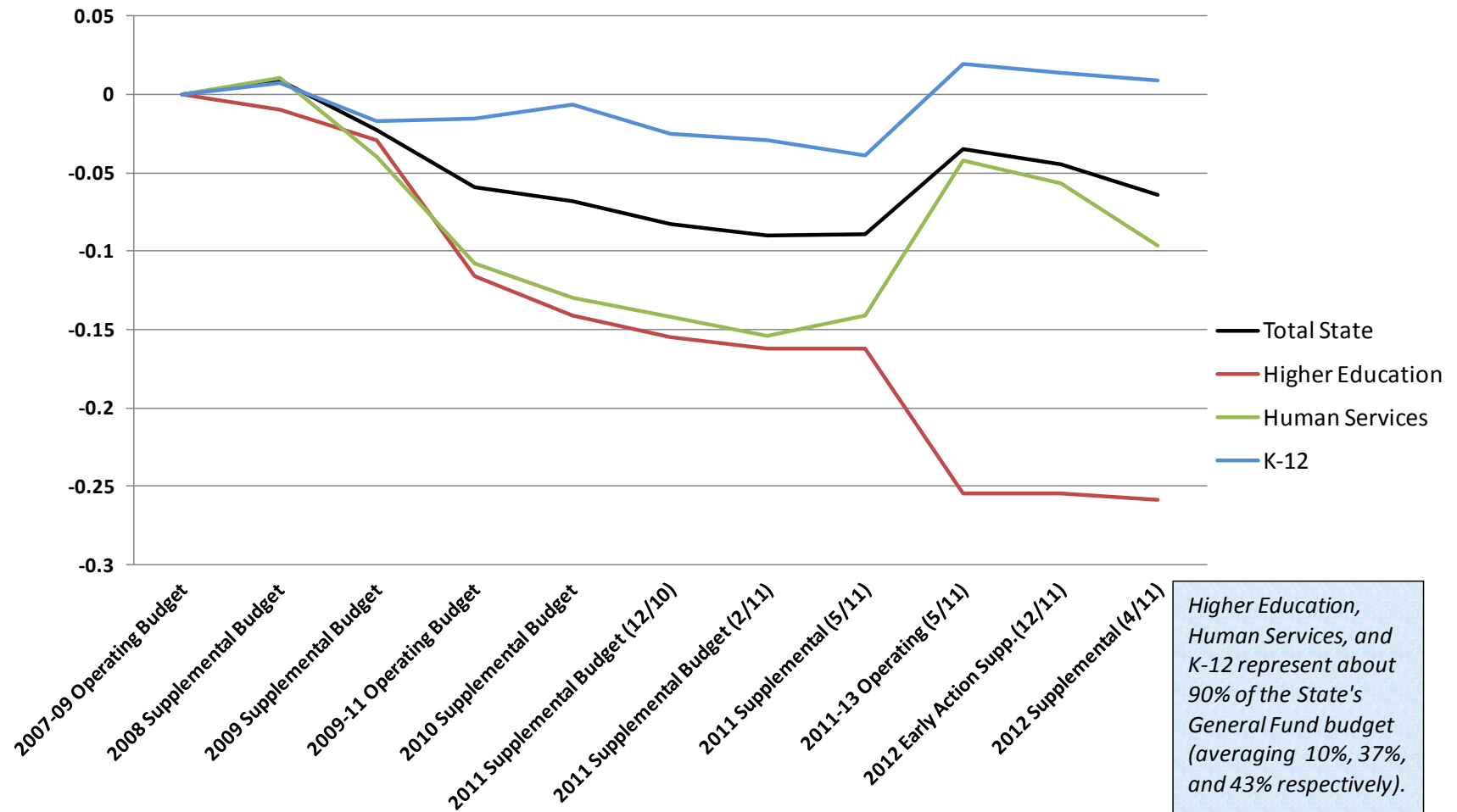
**Table I**  
**2012 Higher Education Supplemental Operating Budget Proposals**  
**Tuition + Near General Fund + Opportunity Pathway Account**  
*(dollars in thousands)*

	Estimated Tuition Revenue <sup>(1)</sup>	Enacted 2011-2013 Biennial Budget			Adopted 4-11-12 Supplemental <sup>(2)</sup>				
		State Funding (NGF & OPA)	Total (Tuition + State)	Tuition as % of Total	State Funding (NGF & OPA)	Total (Tuition + State)	Percent Change		Tuition as % of Total (institutions only)
							State	Total	
Higher Education Institutions and Agencies									
University of Washington	\$855,900	\$426,573	\$1,282,473	66.7%	\$421,417	\$1,277,317	-1.2%	-0.4%	67.0%
Washington State University	\$407,035	\$303,366	\$710,401	57.3%	\$301,211	\$708,246	-0.7%	-0.3%	57.5%
Eastern Washington University	\$108,783	\$68,957	\$177,740	61.2%	\$68,085	\$176,868	-1.3%	-0.5%	61.5%
Central Washington University	\$115,650	\$64,141	\$179,791	64.3%	\$65,058	\$180,708	1.4%	0.5%	64.0%
The Evergreen State College	\$63,288	\$36,344	\$99,632	63.5%	\$36,248	\$99,536	-0.3%	-0.1%	63.6%
Western Washington University	\$158,009	\$80,629	\$238,638	66.2%	\$79,715	\$237,724	-1.1%	-0.4%	66.5%
Baccalaureate Institutions	\$1,708,665	\$980,010	\$2,688,675	63.6%	\$971,734	\$2,680,399	-0.8%	-0.3%	63.7%
Community and Technical Colleges	\$633,404	\$1,154,723	\$1,788,127	35.4%	\$1,144,958	\$1,778,362	-0.8%	-0.5%	35.6%
Total - Public Institutions	\$2,342,069	\$2,134,733	\$4,476,802	52.3%	\$2,116,692	\$4,458,761	-0.8%	-0.4%	52.5%
Higher Education Coordinating Board	na	\$292,480	\$292,480	na	\$292,480	\$292,480	0.0%	0.0%	na
Council for Higher Education	na	\$997	\$997	na	\$0	\$0	-100.0%	-100.0%	na
Office of Student Financial Assist	na	\$321,432	\$321,432	na	\$0	\$0	-100.0%	-100.0%	na
Student Achievement Council	na	\$0	\$0	na	\$325,468	\$325,468	na	na	na
Total - Higher Education	\$2,342,069	\$2,749,642	\$5,091,711	52.3%	\$2,734,640	\$5,076,709	-0.5%	-0.3%	52.5%
Statewide Comparisons									
Human Services	na	\$12,080,537	na	na	\$11,395,360	na	-5.7%	na	na
K-12	na	\$13,783,417	na	na	\$13,647,398	na	-1.0%	na	na
All Other	na	\$6,339,848	na	na	\$6,198,588	na	-2.2%	na	na
Total - State Budget	na	\$32,203,802	na	na	\$31,241,346	na	-3.0%	na	na

(1) Tuition revenue amounts reflect tuition rates adopted by the public institutions for Fiscal Year 2012 and estimated revenue for Fiscal Year 2013. These estimates will be updated to reflect actual tuition levels to be determined by the institutions for Fiscal Year 2013.

(2) Amounts include Early Action Supplemental Changes.

**Illustration 1**  
**Major Budget Components by Percent Change in General Fund Appropriations**  
**2007-09 through 2011-13**  
**(Higher Education includes Opportunity Pathway Account)**



**Table II**  
**2011-13 Capital Budget - 2012 Supplemental**  
**Higher Education Projects**  
**Total Budgeted Funds (TOT-B)**  
*(dollars in thousands)*

<b>Institution/Project</b>	<b>New Spending Authorizations</b>
<b>University of Washington</b>	<b>\$69,797</b>
Anderson Hall Renovation	-\$1,553
Burke Museum Renovation	\$3,500
UW Bothell Phase 3 *	\$62,850 *
UW Tacoma Campus Development and Soil Remediation	\$5,000
<b>Washington State University</b>	<b>\$38,896</b>
High-Technology Education Equipment	\$1,821
WSU Spokane - Riverpoint Biomedical and Health Sciences *	\$37,075 *
<b>Eastern Washington University</b>	<b>\$2,540</b>
Minor Works - Preservation	\$2,540
<b>Central Washington University</b>	<b>\$703</b>
Combined Utilities	\$273
Minor Works Preservation	\$430
<b>Western Washington University</b>	<b>\$1,530</b>
Minor Works - Preservation	\$1,530
<b>Community &amp; Technical College System</b>	<b>\$206,603</b>
Administrative System Replacement *	\$50,000 *
Clover Park Technical College: Allied Health Care Facility	-\$121
Equipment Pool	\$15,000
Everett Community College: Corporate and Cont Ed Center Renovation *	\$4,000 *
Everett Community College: Index Hall Replacement	-\$631
Lower Columbia College: Health and Science Building *	\$38,615 *
Tacoma Community College: Health Careers Center	\$39,107
Olympic College: College Instruction Center	\$3,624
Skagit Valley College: Academic and Student Services Building *	\$30,574 *
Spokane Community College: Extended Learning Center *	\$3,100 *
Tacoma Community College: Health Careers Center	\$39,107
<b>Total Higher Education</b>	<b>\$320,069</b>
<b>Total State</b>	<b>\$1,078,341</b>

\* Projects funded in whole or part by Certificates of Participation or Reimbursable Bonds.